

**MAINE REAL ESTATE COMMISSION**  
**COURSE GUIDELINES**  
**INTRODUCTION TO REAL ESTATE**  
**Course Level: Sales Agent**  
**Minimum 39 Classroom Hours**  
**Revised & Effective December 21, 2004**

*Course Overview: The Real Estate Commission has identified the following as the minimum competencies required of a licensee at the Sales Agent level. Candidates successfully completing this course will have met the education requirement for a Sales Agent license per the conditions set forth in 32 MRSA Subchapter IV §13200 (2)(A). Candidates must submit application for a license to the Real Estate Commission within one calendar year from the date of course completion.*

**I. Listing process (22%; approximately 9 hrs)**

- A. Information gathering skills in completing a property disclosure form**
- B. Definitions, descriptions and ways to hold title**
  - 1. Elements of real and personal property
  - 2. Property description and legal description
  - 3. Estates in real property (types of ownership)
  - 4. Forms, rights, interests and obligations of ownership
  - 5. Types of tenancy
  - 6. Encumbrances
  - 7. The recording system
  - 8. Adverse possession
  - 9. Transfer tax
  - 10. Nonresident withholding tax
  - 11. Anti-trust laws
- C. Land use controls and restrictions**
  - 1. Public (e.g., zoning, taxation, police power)
  - 2. Private (e.g., liens, encumbrances, recording and priorities, subdivision/association rules)
- D. Transfer/alienation of title to real property**
  - 1. Voluntary and involuntary
  - 2. Deeds, warranties and defects in title
- E. Sources of information in Maine**

**II. Market analysis approach to value (11%; approximately 4 hrs)**

- A. Principles, types and estimates of property value**
- B. Influence on property value**
- C. Approaches to property valuation and investment analysis**

**III. Contract law in relation to brokerage contracts and purchase and sale contracts (18%; approximately 7 hrs)**

- A. Contract elements, types (e.g., valid, enforceable), and terminology**
- B. Brokerage agency contracts, listing and buyer agency agreements, and required elements**
- C. Termination and breach of contract**
- D. Purchase and Sales contracts and contingencies**
- E. Statute of Frauds**

**IV. Real estate financing (9%; approximately 3 hrs)**

- A. Financing components**
  - 1. Financing instruments (e.g., notes, mortgages, contract for deed, deed of trust)
  - 2. Sources (e.g., primary and secondary mortgage markets, seller financing)
  - 3. Types of loans
  - 4. Financing concepts and terminology
- B. Lender requirements and obligations**
- C. Truth in lending**

**V. Closing process and costs involved (9%; approximately 3 hrs)**

- A. Settlement procedures
- B. Settlement documents (e.g., title review, RESPA)
- C. Financing costs, property taxation, transfer tax, proration calculations, non-resident withholding, and other closing costs

**VI. Maine license law and rules (12%; approximately 5 hrs)**

- A. Real Estate Commission
  - 1. Powers
  - 2. Investigations and hearings
  - 3. Sanctions
- B. Minimum standards of practice
  - 1. Activities requiring a license
  - 2. Broker and brokerage definitions
  - 3. Designated broker/sales agent relationship
  - 4. Listings/brokerage contracts
  - 5. Offers to purchase/sales contracts
  - 6. Handling of monies
    - 1. Earnest money
    - 2. Trust accounts
  - 7. Material disclosures
    - 1. Disclosure requirements
    - 2. Required property disclosures
      - a. Water supply
      - b. Waste disposal
      - c. Hazardous materials
  - 8. Commissions

**VII. Law of agency (7%; approximately 3 hrs)**

- A. Types of agency relationships (buyer, seller, appointed, disclosed dual and sub-agency)
- B. Agency/brokerage contracts
- C. Obligations to clients and customers
- D. Creation and termination of agency relationships
- E. Disclosures (including Agency Relationships Form #2) and acting in self-interest

**VIII. Fair Housing and the Americans with Disabilities Act (ADA) (1%; approximately 30 min)**

- A. Fair housing terminology
- B. Civil Rights Act of 1866
- C. Fair Housing Act of 1986 and 1988 Fair Housing Amendments
- D. Americans with Disabilities Act

**IX. Leases, rents and property management (11%; approximately 4 hrs)**

- A. Types and elements of leasehold estates, leases, lease clauses and rental agreements
- B. Lessor and lessee rights, responsibilities and recourse
- C. Management contracts and obligations of parties

**EVALUATION TECHNIQUES:** Student performance will be evaluated based on a minimum of three quizzes and a comprehensive final exam. The comprehensive quizzes and final exam required by the Commission may not be open book. Attendance and participation shall be taken into consideration. A final grade of at least 75% is required to pass the course.